

Consumer Financial Issues in Complementary and Alternative Medicine

Consumers of health care, including complementary and alternative medicine (CAM), often have questions about the financial aspects of obtaining treatment. This fact sheet addresses a number of frequently asked questions about consumer financial issues in CAM and includes resources for further information.

1. What is CAM?

CAM, as defined by the National Center for Complementary and Alternative Medicine (NCCAM), is a group of diverse medical and health care systems, practices, and products that are not presently considered part of conventional medicine.¹ Complementary medicine is used **together with** conventional medicine. Alternative medicine is used **in place of** conventional medicine. To find out more about these terms, consult the NCCAM fact sheet “What Is Complementary and Alternative Medicine?” (See “Resources.”)

NCCAM is the Federal Government’s lead agency for research on CAM. NCCAM is dedicated to exploring CAM healing practices in the context of rigorous science, training CAM researchers, and disseminating authoritative information to the public and professionals.

2. How do patients pay for CAM treatments delivered by a practitioner?

In CAM, as in conventional medicine, there are two primary ways people pay for care:

- **Out-of-pocket payment.** Most consumers must pay for CAM practitioner services and CAM therapeutic products themselves.
- **Insurance.** Some health plans offer some coverage of CAM. Such coverage tends to be very limited, however, and varies considerably from state to state.

¹ Conventional medicine is medicine as practiced by holders of M.D. (medical doctor) or D.O. (doctor of osteopathy) degrees and by allied health professionals, such as physical therapists, psychologists, and registered nurses. Other terms for conventional medicine include allopathy; Western, mainstream, orthodox, and regular medicine; and biomedicine. Some conventional medical practitioners are also practitioners of CAM.

3. How can I find out if there are any laws in my state about insurance coverage of a CAM modality (treatment) that I am interested in?

There is no one central resource that collects this information for all the states. Some resources that may be helpful include:

- If you are seeking CAM treatment from a practitioner, there is likely to be one or more national professional associations for practitioners of that treatment—for example, associations for chiropractors. Many of these organizations monitor insurance coverage and reimbursement for their specialty. You can locate organizations by trying an Internet search or asking a reference librarian for assistance.
- Each of the 50 states, as well as the District of Columbia and the four U.S. territories, has an agency that regulates the insurance industry in that state, enforces insurance laws, and assists consumers. This agency is often called the office of the state insurance commissioner (see “Resources”). The services that this office provides vary by state, but each handles consumer inquiries. Your commissioner’s office may be able to inform you of any requirements in your state for insurance coverage of a specific CAM modality.

4. I have health insurance. If I am interested in obtaining treatment from a CAM practitioner, what financial questions should I ask?

First, you need to be informed about your health insurance plan. Does it offer any coverage of CAM treatments? If so, what are the requirements and limits—for example, does the plan limit the conditions it will cover, require that CAM services be delivered by specific practitioners (such as a licensed medical doctor or a practitioner in the company’s network), or cover only services that the plan determines to be medically necessary? Read your plan carefully, including the limits and exclusions. You may also want to check with the insurance company before you seek treatment.

Here are some questions to ask your insurer:

- Does this care need to be preauthorized or preapproved?
- Do I need a referral from my primary care provider?²
- What services, tests, or other costs will be covered?
- How many visits are covered and over what period of time?
- Is there a copayment?
- Will the therapy be covered for any condition or only for certain conditions?
- Will any additional costs (for example, laboratory tests, dietary supplements, equipment, or supplies) be covered?
- Will I need to see a practitioner in your network? If so, can you provide me with a list of practitioners in my area?

² If the insurance company requires you to have a referral, be sure to obtain it and take it with you to the practitioner. It is also a good idea to keep a copy for your records.

- If I use a practitioner who is not part of your network, do you provide any coverage? Are there any additional out-of-pocket costs?
- Are there any dollar or calendar limits to my coverage?

It will help you if you keep organized records about all interactions with your insurance company. Keep copies of letters, bills, and claims. Make notes about calls, including the date, time, customer service representative's name, and what you were told. If you are not satisfied with a representative's explanations, ask to speak to someone else.

5. What financial questions should I ask the practitioner?

Here are some questions to ask the practitioner or his office staff:

- Do you accept my health insurance?
- Do I file the claim forms, or do you (the provider) take care of that?
- What is the cost for an initial appointment?
- How many treatments will I need?
- How much will each treatment cost?
- Can I receive treatment for a trial period to see if the therapy works for me before I commit to a full course?
- Will there be any additional costs?

It can also be useful to ask which insurance plans the practitioner accepts, in case you become interested in changing plans at some point (for example, through a change of employment).

If you do not have insurance coverage for treatment, and paying the full fee each time would be difficult for you, you might ask:

- Can your office arrange a payment plan so that my costs are spread out over a longer period of time?
- Do you offer a sliding-scale fee? (A sliding-scale fee adjusts charges based on a patient's income and ability to pay.)

For more information on seeking treatment from a practitioner, consult the NCCAM fact sheet "Selecting a Complementary and Alternative Medicine Practitioner." (See "Resources.")

6. What about CAM insurance coverage that may be offered through employers?

If CAM coverage is offered, it is usually one of the following types:

- **Higher deductibles.** A deductible is a total dollar amount that the consumer must pay before the insurer begins making payments for treatments. Under this type of policy, CAM coverage is offered, but the consumer pays a higher deductible.

- **Policy riders.** A rider is an amendment to an insurance policy that may change coverage in some way (such as increasing or decreasing benefits). You may be able to purchase a rider that adds or expands coverage in the area of CAM.
- **A contracted network of providers.** Some insurers work with a group of CAM providers who agree to offer services to group members at a rate lower than that offered to nonmembers. You pay out of pocket for treatment, but at a discounted rate.

Employers negotiate with insurance companies for plan rates and services. This is done on a periodic basis (usually annually). You may wish to let your company's benefits administrator know about any coverage preferences you have. If your company offers more than one plan, evaluate carefully what each one offers, so you can pick the plan that best meets your needs.

The Agency for Healthcare Research and Quality (AHRQ), a Federal agency, has helpful publications about choosing and using a health insurance plan (see "Resources").

7. Does NCCAM have a list of insurance companies that cover CAM?

As a medical research organization, NCCAM does not collect this kind of information and, therefore, does not have a list of companies that cover CAM. The following suggestions may be helpful:

- Talk to your family members, friends, and coworkers about their experiences with insurance companies and plans.
- Check what your state insurance commissioner's office (see Question 3) has to offer. Many provide consumer publications, such as summaries of basic information about the health insurance companies operating in the state and/or ratings of those companies. Note that commissioners' offices do not provide recommendations or advice on specific companies.
- An insurance broker (an agent who sells policies for a variety of companies) may also be a resource.

8. My insurer has asked me for evidence, from scientific and medical literature, about the use of a CAM treatment. Can NCCAM provide this information?

The NCCAM Clearinghouse can help you find information from the scientific and medical literature on CAM. They use databases of peer-reviewed scientific and medical journals, such as CAM on PubMed (see "Resources"). If you do not have access to the Internet, the Clearinghouse can send information to you.

9. My insurance company has denied my claim for CAM treatment. Is there anything I can do?

As discussed in Question 4, make sure you know your policy—including what it is, and is not, supposed to cover. Check whether there has been a coding³ error, either by the practitioner’s office or by the insurance company; compare the codes on the practitioner’s bill with the codes on the document you received from the insurance company. If you think your insurer made a mistake processing your claim, you can request a review from the company. Also, the insurance company should have an appeal procedure and provide a copy of it with your policy. It may be helpful to discuss with your practitioner whether she can do anything on your behalf, such as writing a letter. If you have taken these steps and the problem is not resolved, contact your state insurance commissioner’s office, which has consumer complaint procedures.

10. Are there laws to help me keep my health insurance if I lose or change jobs? Do these laws apply to CAM treatments?

If you currently have an insurance plan that includes any CAM coverage, the following laws may be of interest to you.

The Health Insurance Portability and Accountability Act (HIPAA) of 1996 offers limited protections for many employed Americans. HIPAA protects health insurance coverage for workers and their families if the worker changes or loses his job. The law:

- Limits the ability of insurance companies to refuse coverage based on preexisting conditions.
- Prevents group health plans from denying or charging more for coverage because of past or present poor health.
- Assures renewal of coverage, regardless of any health conditions of people covered under the policy.
- Guarantees certain small-business employers, and certain people who lose job-related coverage, the right to buy health insurance.

The Centers for Medicare & Medicaid Services (see “Resources”) can provide you with general information on the Federal HIPAA program. Note that individual states may have specific laws related to HIPAA requirements; if you need more information on HIPAA in your state, contact your state insurance commissioner’s office.

Another Federal law that may help you is the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985. COBRA continuation coverage gives you the chance to buy and maintain your current group health coverage for a defined period of time if you are laid off or have your work hours reduced below the level for receiving benefits. The length of continuation coverage depends on the reason for your loss of group coverage. COBRA generally covers health plans of businesses with 20 or more employees, employee organizations, and state or local governments. You must meet certain application deadlines and other conditions, such as payment schedules, to maintain

³ Health care providers and insurance companies use a standard set of codes in billing for medical services.

coverage under COBRA. COBRA also can help you avoid a gap in coverage if you change jobs and are not immediately eligible for coverage in your new company.

For more information about COBRA, contact your nearest office of the Pension and Welfare Benefits Administration of the U.S. Department of Labor (see “Resources”). Your state may also have a law that requires insurers to continue group plan coverage to individuals who lose their medical coverage for various reasons. Check with your state insurance commissioner’s office.

11. What are tax-exempt accounts for medical expenses? How might they help me?

A flexible spending arrangement (FSA; sometimes called a Flexible Spending Account) is a benefit provided by some employers that offers a way to help pay for out-of-pocket medical expenses, while reducing the employee’s taxable income. With FSAs for health-related expenses, you choose an amount of pre-tax dollars to be set aside from your paycheck each pay period. This money is then available to reimburse certain health-related expenses that are not paid any other way, such as by insurance. You may need to supply documentation from a physician or other health care provider that the treatment is medically necessary. Note that the IRS does not allow the same expense(s) to be both reimbursed through an FSA and claimed as a tax deduction (see Question 13).

Another type of tax-exempt benefit for health-related expenses is a medical savings account (MSA). MSAs allow some individuals who are either self-employed or employed by certain small businesses (and who participate in a high-deductible health plan) to save money in a tax-free account. If you are eligible, you can use these savings to pay for your future medical expenses or those of your spouse or dependents. Set up by Congress as a “pilot project,” MSAs can be used through the end of 2003.

The IRS has publications with more information about FSAs and MSAs (see “Resources”).

12. Does the Federal Government have resources that might help me financially with my health-related expenses?

Currently, Federal health assistance programs are not set up to assist with CAM expenses specifically. They are intended to provide either direct support (direct payments) or indirect support (such as housing or child care credits, medical care at public clinics, or other social services) to people whom the Government determines to be in need. Examples include people who:

- Have a low income and limited resources.
- Do not have other medical insurance.
- Have a disability.
- Are part of a population that has difficulty accessing medical care.
- Are at least 65 years of age.
- Have served in the military.

There are **Federal databases** on the Internet that can introduce you to these programs. GovBenefits (www.govbenefits.gov) provides an overview and a self-test to help you identify whether any benefits are appropriate for your needs. FirstGov (www.firstgov.gov) has information on various health-related programs such as Medicare and Medicaid. FirstGov also has a database with information on benefits for seniors, www.seniors.gov.

The **Social Security Administration** (see “Resources”) has two programs that pay benefits to people with disabilities:

- Social Security Disability Insurance (SSDI) pays benefits to disabled workers who have paid into Social Security through payroll deductions and to certain family members.
- Supplemental Security Income (SSI) pays benefits to people who are elderly or disabled and have low incomes.

The **Department of Veterans Affairs** (see “Resources”) may be able to help with health care costs if you or a family member served in the Armed Forces. Certain CAM treatments may be covered, such as chiropractic and acupuncture.

The **Health Resources and Services Administration** (HRSA, see “Resources”) has several programs:

- While this program is not CAM-specific, the Hill-Burton program requires health care facilities (usually hospitals and clinics) that received certain Federal funding to provide a specific amount of health care to needy persons free or at reduced cost. Eligibility is determined by income and family size, using the Federal poverty guidelines.
- Through its Bureau of Primary Health Care (BPHC), HRSA funds community and migrant health care centers that treat people with limited access to medical services. Depending on the needs of the community, CAM care may be integrated with conventional care at these centers.
- Through the national “Insure Kids Now!” initiative, each state has a program to make health insurance available to infants, children, and teens in working families.

The **Centers for Medicare & Medicaid Services** (see “Resources”), formerly the Health Care Financing Administration, administers the Medicare and Medicaid programs:

- **Medicare** is insurance for older persons and persons with disabilities. As of 2002, it includes some limited coverage of chiropractic services. Other CAM insurance coverage is under consideration.
- **Medicaid**, a joint Federal–state program, is for people who need financial assistance for medical expenses. States may choose to provide optional Medicaid health care services, which could include CAM, in addition to required Medicaid services.

Also available through the Centers for Medicare & Medicaid Services is the **State Children's Health Insurance Program**, which expands health coverage to uninsured children in working families that earn too much for Medicaid but too little to afford private coverage.

The Federal Government also provides **states and communities** with various funds to assist needy persons, including for medical care. To find out more about these benefits and whether you are eligible, contact your state or local department of social services. These departments are listed in the "Government" section of your phone book.

Some persons have inquired whether they can receive CAM treatments or financial assistance for treatments from **NCCAM**. Given its mission of research, training, and disseminating information, NCCAM does not provide financial assistance or treatment to consumers. As part of its research, NCCAM does conduct clinical trials of some CAM treatments (to find out more, go to nccam.nih.gov/clinicaltrials, or contact the NCCAM Clearinghouse; see "Resources").

13. Are CAM services deductible on my income tax?

As of 2002, the IRS allows a limited number of deductibles for CAM services and products (see "Resources").

14. Can you suggest any other resources?

If treatment (whether CAM or conventional) for a disease or condition creates a financial crisis for you and your family, you may wish to try the following for more information:

- If you receive care at a hospital or clinic, that facility may have a social worker or patient advocate who can advise you.
- You may also find it helpful to contact nonprofit organizations that work on your disease or medical condition (try an Internet search or check directories at your local library).

Resources

Web sites for the resources below are given where available, but you may also call or write for information.

NCCAM Clearinghouse

Toll-free in the U.S.: 1-888-644-6226

International: 301-519-3153

TTY (for deaf and hard-of-hearing callers): 1-866-464-3615

E-mail: info@nccam.nih.gov

Web site: nccam.nih.gov

Address: NCCAM Clearinghouse, P.O. Box 7923, Gaithersburg, MD 20898-7923

Fax: 1-866-464-3616

Fax-on-Demand service: 1-888-644-6226

The NCCAM Clearinghouse provides information about CAM and about NCCAM. Publications include:

- “Are You Considering Using Complementary and Alternative Medicine?”
(nccam.nih.gov/health/decisions)
- “Selecting a Complementary and Alternative Medicine Practitioner”
(nccam.nih.gov/health/practitioner)
- “What Is Complementary and Alternative Medicine?”
(nccam.nih.gov/health/whatiscam)

The Clearinghouse does not provide treatment recommendations, or referrals to practitioners or professional organizations.

Agency for Healthcare Research and Quality (AHRQ)

Web site: www.ahrq.gov

Toll-free: 1-800-358-9295

TTY (for deaf and hard-of-hearing callers): 1-888-586-6340

E-mail: info@ahrq.gov

Address: AHRQ Publication Clearinghouse, P.O. Box 8547, Silver Spring, MD 20907-8547

AHRQ conducts research on health care outcomes, quality, cost, use, and access. AHRQ's publications for consumers, including “Choosing and Using a Health Plan” and “Checkup on Health Insurance Choices,” are located at www.ahrq.gov/consumer/index.html#plans.

Centers for Medicare & Medicaid Services (CMS)

Web site: cms.hhs.gov

Toll-free: 1-877-267-2323

Address: 7500 Security Boulevard, Baltimore, MD 21244-1850

CMS, formerly the Health Care Financing Administration, administers the Medicare and Medicaid programs. Contact the above to be referred to your nearest regional office. CMS has publications on these programs, including the HIPAA law.

Department of Labor (DOL)

Web site: www.dol.gov

Toll-free: 1-866-4-USA-DOL (1-866-487-2365)

TTY (for deaf or hard-of-hearing callers): 1-877-889-5627

Address: Room North 4123, 200 Constitution Avenue, NW, Washington, DC 20210

The DOL has informational pamphlets and other materials concerning Federal health care laws, including the HIPAA and COBRA laws.

The DOL Pension and Welfare Benefits Administration Web site has many publications. Go to www.dol.gov/pwba or call the toll-free number above.

Department of Veterans Affairs (VA)

Web site: www.va.gov/health_benefits

Toll-free: 1-877-222-8387

TTY (for deaf or hard-of-hearing callers): 1-800-829-4833

Address: 810 Vermont Avenue, NW, Washington, DC 20420

The VA is responsible for providing Federal benefits to veterans of the Armed Forces and their dependents. With regard to CAM, as of 2002, coverage decisions for chiropractic were being made on a regional basis, and there had been some coverage of acupuncture in the preceding few years. For more information, contact your local VA health facility, or the Tricare Military Health System at www.tricare.osd.mil/beneficiary/default.cfm.

Health Resources and Services Administration (HRSA)

Web site: www.hrsa.gov

Toll-free: 1-888-ASK-HRSA (1-888-275-4772)

E-mail: ask@hrsa.gov

Address: 5600 Fishers Lane, Rockville, MD 20857

Contact HRSA for more information about its programs and a referral to your nearest HRSA field office.

- For information about the Hill-Burton program, you can go to www.hrsa.gov/osp/dfcr/obtain/obtain.htm or call 1-800-638-0742.
- For information about or referrals to HRSA's community and migrant health centers, and other BPHC-funded centers, you can go to www.ask.hrsa.gov/pc.
- HRSA administers the "Insure Kids Now!" campaign. To be referred to the program in your state, go to www.insurekidsnow.gov/states.htm or call toll-free 1-877-543-7669.

Insurance Commissioners' Offices

To locate the insurance commissioner's office for your state (or for D.C. or the U.S. Territories): (1) If you have access to the Internet, go to www.consumeraction.gov/insurance. (2) If you don't have access to the Internet, consult the "State Government" section of your phone book or inquire with directory assistance. Note that the insurance commissioner or regulator's office can have different names in different states, such as the [Name of State] Insurance Administration (or Division or Department). Each office has a toll-free consumer assistance number.

Internal Revenue Service (IRS)

Web site: www.irs.ustreas.gov

Toll-free: 1-800-829-1040

Address: 1111 Constitution Avenue, NW, Washington, DC 20224

The IRS is the nation's tax collection agency. Publications include:

- "Introduction to Cafeteria Plans," which includes a chapter on Flexible Spending Arrangements (FSAs). This document is online at www.irs.gov/pub/irs-utl/intro_to_cafeteria_plans_doc.pdf.
- Publication 969, "Medical Savings Accounts (MSAs)." This document is online at www.irs.gov/pub/irs-pdf/p969.pdf.
- Publication 502, "Medical and Dental Expenses," on tax deductions for medical costs. This document is online at www.irs.gov/pub/irs-pdf/p502.pdf.

Social Security Administration (SSA)

Web site: www.ssa.gov

Toll-free: 1-800-772-1213

TTY (for deaf or hard-of-hearing callers): 1-800-325-0778

Address: 6401 Security Boulevard, Baltimore, MD 21235

The Social Security Administration (SSA) administers benefits under two programs, the Social Security Disability Insurance (SSDI) Program and the Supplemental Security Income (SSI) Program.

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National Institutes of Health
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U.S. Department of Health and Human Services